

MSCI[®] Barra[®] press release

MSCI Barra to Launch New Japanese Equity Indices for Domestic Investors

New MSCI KOKUNAI Japan Equity Indices to Provide Better Reflection of Investment Opportunities in Domestic Market

Tokyo - June 23, 2005 - MSCI Barra, a leading provider of benchmark indices and risk management analytics products, announced today that it is developing a new family of Japanese equity indices designed specifically for domestic Japanese investors and for international investors requiring more depth and breadth in an index. The new MSCI KOKUNAI (Domestic) Japan Equity IndicesSM will reflect the full breadth of investment opportunities within the Japanese domestic equity markets and offer breakdowns by capitalization size segments, value/growth investment styles, and sectors, industry groups and industries. MSCI intends to launch the indices on or before September 30, 2005.

Designed to enable superior asset allocation and performance measurement, the objectives of the MSCI KOKUNAI Japan Equity Indices will include:

- Broad market coverage – the universe will consist of securities from all major Japanese exchanges including JASDAQ
- Full market capitalization breakdown - large, mid and small cap indices that aggregate into the MSCI KOKUNAI Investable Market 1500 IndexSM, which, together with a separate micro cap index, will aggregate into the MSCI KOKUNAI Broad Market IndexSM
- Comprehensive style representation – value and growth style indices will be defined independently of each other using a multi-factor bi-dimensional style framework approach
- Low index turnover – buffer zones for market cap and style indices will help reduce turnover and better reflect the investment process of asset managers
- Low market impact – application of investability criteria and use of free float market capitalization will ensure liquidity and capacity while minimizing price moves as a result of trading
- Enhanced cross-market analysis – compatibility with MSCI International Equity Indices and GICS[®] will facilitate easier management of global equity portfolios by Japanese investors.

Henry Fernandez, President and CEO of MSCI Barra, said, “We are developing this product in response to significant client demand for a domestic Japanese equity index series that features the same disciplined approach to index methodology and level of service that MSCI Barra brings to its international and other domestic equity indices.”

“The new MSCI KOKUNAI Japan Equity Indices will provide a better reflection of the domestic investment opportunities available to investors in Japan and globally. Unique methodological approaches such as buffer zones will reduce index turnover, therefore providing asset managers and asset owners alike with an opportunity to enhance the efficiency of their Japanese equity portfolio management,” he added.

MSCI Barra carried out extensive consultations with pension plan sponsors, consultants and asset managers in Japan, which indicated that the MSCI KOKUNAI Japan Equity Indices would be a valuable tool for asset allocation, performance measurement and investment research, as well as investment product development.

A summary of the methodology and a simulated list of constituents for both the MSCI KOKUNAI Broad Market Index and the MSCI KOKUNAI Investable Market 1500 Index can be found on www.msci.com.

About MSCI Barra

MSCI (www.msci.com) develops and maintains equity, REIT, fixed income, multi-asset class and hedge fund indices that serve as the benchmark for an estimated USD 3 trillion on a worldwide basis and owns Barra, Inc. ("Barra"). Barra analytics (www.barra.com) help the world's largest investors analyze, measure and manage portfolio and firm-wide investment risk. MSCI Barra is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and Capital International Inc., part of the global investment management group of The Capital Group Companies, Inc., is the minority shareholder. MSCI Barra is a service mark of Morgan Stanley Capital International Inc. ("MSCI" or "MSCI Barra").

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